Regional Housing Needs Association of Bay Area Governments

Executive Board Meeting May 18, 2000

Dierview of Process to Date

- Executive Board releases preliminary RHND allocation to Bay Area jurisdictions.

 (Second Release-- February 1, 2000)
- Start of 90 day review/ revision feedback period (February 1 thru April 28, 2000)
- Executive Board meets to discuss the RHND methodology and subsequent allocations of need. (March 16, 2000)
- Housing Methodology Committee meets to discuss alternative methodologies to allocate RHND need. (April 14, 2000)

12 Top 2 Issues Raised during Regional Needs Tour 199

- Allocations of need in the unincorporated spheres of influence (SOI) to cities and counties
 - current methodology places high numbers in unincorporated areas throughout the region
 - inability of counties and cities to reach agreement over a redistribution
 - concerns expressed by HCD about planning for units in the uninc. areas

The jobs/housing weighting factor

- current weighting factor does not recognize ABAG "smart growth" policies
- current methodology weighs household growth heavier than job production
- existing j/h relationship not recognized in the present methodology



Request a legislative extension of the process (6 months)

Develop options related to the SOI

Develop options related to j/h weighting concerns



- Split the uninc. SOI units 50/50 between the cities and the counties
 - allows for a fair compromise between the city and county
 - addresses HCD concerns over the SOI allocations
- Continue to allow for county/city redistribution talks to occur after the new distribution is set.



Purpose: Acknowledge ABAG "smart-growth" policies by shifting RHND allocations towards job producing jurisdictions.

Increase the weighting on jobs in the RHND methodology:

Increased job weighting factor (30/70, 50/50):

- Shifts RHND allocations from jurisdictions currently planning for housing growth toward jurisdictions that are planning for job growth, over the RHND planning period.
- Acknowledges ABAG "smart-growth" principles by allocating more housing units to the job centers.

Purpose: Acknowledge ABAG "smart-growth" policies by shifting RHND allocations towards job producing jurisdictions.

Apply a "jobs bank" credit to the RHND methodology:

Pros:

- Recognizes the existing jobs/housing ratio for each jurisdiction compared to the regional average (1.42 j/h).
- Allows for those jurisdictions currently below the regional average (jobs poor/housing rich) to add jobs without affecting housing need allocations (in a majority of cases).

Cons:

- Increases the allocations in larger, primarily urban cities with high job growth.
- In some cases, the RHND allocation is reduced below the number of units a jurisdiction might otherwise achieve.

Comparison of weighting factors with/ without the Job Bank "Credit"

	VALLEJO	SANTA CLAR	A
10/90	2,635	4,612	With "Jobs Bank" adjustment
Weight	2,950	4,228	Without "Jobs Bank" adjustment
30/70	2,050	6,434	With "Jobs Bank" adjustment
Weight	2,994	5,284	Without "Jobs Bank" adjustment
50/50	1,464	8,255	With "Jobs Bank" adjustment
Weight	3,038	6,339	Without "Jobs Bank" adjustment

The Story of two cities...

In 1999, the City of Vallejo is household rich, jobs poor (.085 jobs/household). Vallejo is planning to add more jobs than housing over the 1999-2006 RHND period.

In 1999, the City of Santa Clara is household poor, jobs rich (3.44 jobs/household). Santa Clara is planning to add more jobs than housing over the 1999-2006 RHND period.



Applying the "Job Bank" Credit

Jobs/Household Diagram

Valleio 0.853

Valleio Dob creation potential

Sarta Chara 3.

Less than the Regional Average

More than the Regional Average

Lowest Ratio 0.26

Regional Average 1.42

Highest Ratio 5.82

- Calculate the existing jobs/housing ratio (1999) for each jurisdiction and the existing regional average (1999).
- Establish a "credit" (jobs bank) for jurisdictions that have fewer jobs per household than the regional average. The credit is based on each jurisdiction's existing (1999) jobs/housing ratio.
- Adjust the forecast jobs growth ('99-'06) by applying each jurisdiction's credit.
- Apply forecast housing growth and adjusted job growth to the RHND methodology.



- 1. Split the uninc. SOI units 50/50 between the cities and the counties. Continue to allow for re-allocation decisions at the local (cities and counties) level.
- 2. Increase the weighting on jobs in the methodology to 30% jobs/ 70% housing.
- 3. Apply the "jobs bank" credit to the methodology.